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VOC FOR IOP/FN  
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# GOOD BUSINESS FOR EAST GERMANY

ANNCR :

AS WESTERN DIPLOMATS LOOK BACK ON THE FOUR-POWER AGREEMENT CLARIFYING ALLIED RIGHTS IN BERLIN, SIGNED FIVE YEARS AGO, THEY AGREE THAT TENSIONS HAVE EASED, THAT THERE IS MORE CONTACT BETWEEN EAST AND WEST, AND BETWEEN WEST GERMANY AND WEST BERLIN -- LOCATED DEEP INSIDE EAST GERMANY. THE IMPROVED SITUATION HAS CLEARLY BENEFITED EAST GERMANY. HERE'S VOA'S MARK HOPKINS WITH A REPORT FROM BERLIN:

VOICE:

THE NORMAL PEACEFUL FUNCTIONING OF WEST BERLIN, THE FLOW OF TOURISTS INTO EAST BERLIN AND EAST GERMANY AND THE GROWING TRADE BETWEEN THE GERMAN DEMOCRATIC REPUBLIC AND THE FEDERAL REPUBLIC -- ALL THIS HAS BROUGHT HUNDREDS OF MILLIONS OF HARD-CURRENCY WEST GERMAN MARKS TO THE EAST GERMAN GOVERNMENT. THE ESTIMATED ANNUAL INCOME OF BETWEEN TWO AND THREE THOUSAND MILLION WEST GERMAN MARKS IS SEEN BY WESTERN DIPLOMATS AS ONE EAST GERMAN MOTIVATION FOR MAINTAINING A RELATIVELY RELAXED ATMOSPHERE IN BERLIN, A CITY THAT HAS SEEN STRONG SOVIET PRESSURES, BEGINNING WITH THE FAMOUS BERLIN BLOCKADE JUST THIRTY YEARS AGO.

AND NOW THAT THERE'S MORE TRADE, MORE TOURISM, ALONG WITH MORE SERVICES BEING SUPPLIED TO WEST BERLIN, THE EAST GERMAN GOVERNMENT HAS MORE MONEY TO BUY WESTERN INDUSTRIAL EQUIPMENT AND TECHNOLOGY. THE STATISTICS SHOW, FOR EXAMPLE, THAT EAST GERMANY EARNS ABOUT FOUR HUNDRED MILLION MARKS, OR ABOUT TWO HUNDRED MILLION DOLLARS AT THE CURRENT EXCHANGE RATE, FROM

CHARGING FEES FOR TRUCKS AND CARS TRAVELING FROM WEST GERMANY TO WEST BERLIN. EAST GERMANY GETS ABOUT ONE HUNDRED THIRTY MILLION TO TWO HUNDRED THIRTY MILLION WEST GERMAN MARKS YEAR BY DEMANDING THAT TOURISTS CHANGE A MINIMUM AMOUNT INTO EAST GERMAN MARKS. THE OFFICIAL EXCHANGE RATE IS ONE EAST MARK FOR ONE WEST -- BUT THE BLACK MARKET RATE, INDICATING THE TRUE VALUE, IS FIVE EAST MARKS TO ONE WEST GERMAN MARK.

IN LESS PUBLICIZED EARNINGS, EAST GERMANY COLLECTS ABOUT ONE HUNDRED THIRTY MILLION MARKS FROM BONN FOR RELEASE OF POLITICAL PRISONERS AND FOR ALLOWING REUNIFICATION OF FAMILIES. WEST GERMANY HAS BEEN, IN EFFECT, RANSOMING EAST GERMANS FROM PRISONS FOR ABOUT TEN YEARS NOW. THERE ARE OTHER SMALLER SOURCES OF EAST GERMAN INCOME, AND THEY, TOO, REPRESENT SIZABLE HARD CURRENCY EARNINGS FOR EAST GERMANY. EAST GERMANY CHARGES SEVEN MILLION MARKS A YEAR, FOR INSTANCE, TO COLLECT AND DISPOSE OF GARBAGE FROM ISOLATED WEST BERLIN AND ANOTHER TWELVE MILLION FOR HANDLING SEWAGE. IT GETS EIGHTY-FIVE MILLION MARKS FOR POSTAL SERVICES. THESE SUMS ARE ADDED TO HUNDREDS OF MILLIONS OF WEST GERMAN MARKS THE EAST GERMAN GOVERNMENT TAKES IN PROFIT AND TAXES ON TRADE BETWEEN EAST AND WEST GERMANY. IT ALL ADDS UP TO GOOD BUSINESS FOR EAST GERMANY -- WHOSE FINANCIAL EXPERTS HAVE, IN ANY CASE, DISCOVERED THAT THE FIVE-YEAR-OLD BERLIN AGREEMENT HAS BROUGHT EAST GERMANY ECONOMIC BENEFITS.

WJL/PY